



Wall of Maturities Update: March Performance Solid; Nearly \$9 Billion Due in April

This is the third iteration of a report Trepp will publish every month until the end of 2017 in an effort to monitor the wall of maturities as the market enters the home stretch of scaling this large amount of maturing CMBS debt.

Though there was plenty of madness in March, the final result of maturing CMBS performance was a positive one. Nearly 86% of the maturing debt that was paid off last month did so in full either prior to, at, or after maturity. The average loss severity for loans liquidated in March was, by far, the lowest level posted in the last 12 periods. However, the amount of maturing debt does not wane in April as \$8.7 billion in private-label CMBS is in need of refinancing this month.

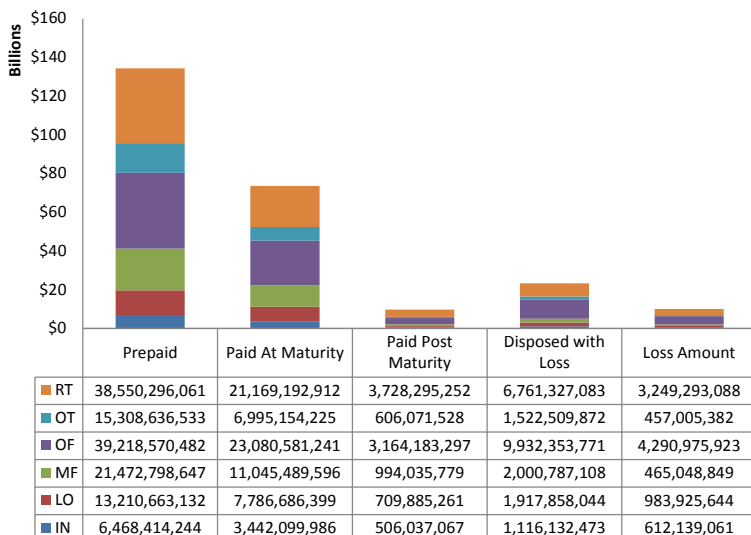
Historical Perspective

Based on a March 2017 snapshot, more than \$245.2 billion in CMBS loans have paid off in any manner since January 2015, including disposals with losses. Those disposed loans were written off with cumulative losses of more than \$10.1 billion, which amounts to an average loss severity of 43.26%.

In the 12-month period between April 2016 and March 2017, \$117.6 billion in securitized mortgage debt was liquidated, 8.60% of which suffered losses at resolution.

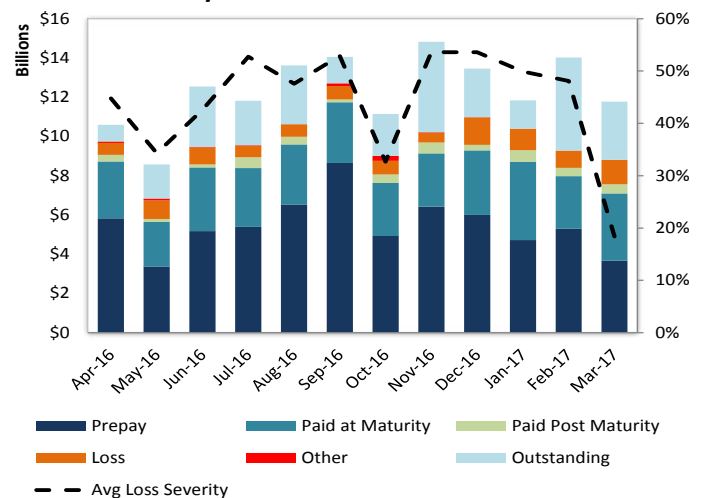
Those loans that were closed out with losses were written down at an average severity of 46.68%. Based on underwritten maturity dates for loans that were scheduled to pay off during this time frame, 1,025 loans totaling \$30.6 billion are still outstanding. During the month of March, about \$8.9 billion in CMBS loans were paid off in any fashion. \$1.2 billion of that total was closed out via disposal, but only at an average loss severity of 18.41%. The reason for the reduced average severity stems from the resolution of two huge portfolio loans: the TIAA RexCorp New Jersey Portfolio and the Beacon Seattle & DC Portfolio Roll-Up/Pool. Those two portfolios totaled nearly \$900 million in outstanding debt in March, but were disposed with just under \$69 million in total losses.

Payoff Status by Property Type Since 2015



Source: Trepp

Payoff Status - Last 12 Months



*Amount outstanding is based on underwritten maturity dates
Source: Trepp

Upcoming Maturities

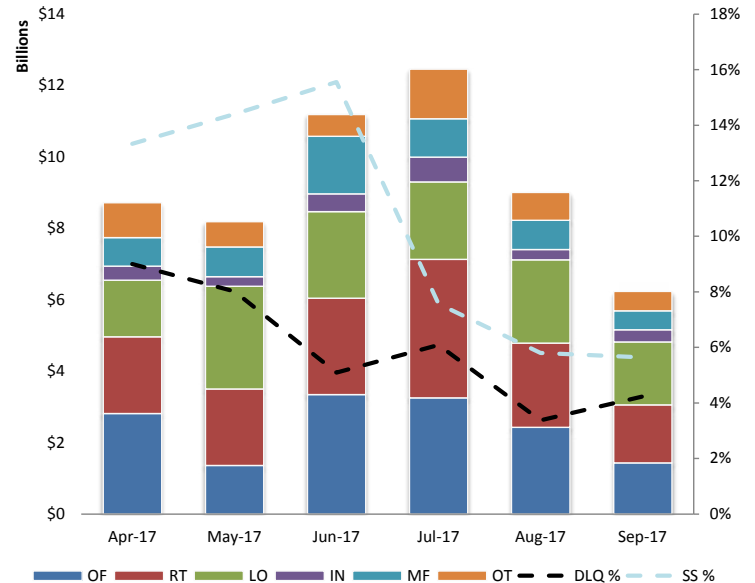
Over the next 6 months through September 2017, roughly \$55.8 billion in CMBS debt will come due. 5.98% of that total is past due on payment and 10.57% is in special servicing. As the two dominant property types, office and retail loans comprise 26.25% and 26.63% of the volume maturing during this time frame, respectively.

Out of the \$8.7 billion in CMBS debt that is scheduled to mature in April, over 8.94% has fallen into default (categorized as 60+ days delinquent, in foreclosure, REO, or non-performing balloons), while 13.33% has been transferred to special servicing. From this total, 7.79% is carrying an appraisal reduction amount (ARA) that could lead to potential losses at resolution.

Excluding loans where maturity extension options have recently been exercised, the largest loan due in April is the \$550 million CMBS mortgage behind the 1.38 million-square-foot Wells Fargo Tower in Downtown Los Angeles. Namesake tenant Wells Fargo occupies the largest chunk of square footage with nearly 20% of the building's NRA on a lease that expires in June 2023. Since 2013, occupancy at the 53-story trophy office has fallen to 83% due to tenant rollover, while DSCR has consistently clocked in below 1.0x since 2011. The asset was acquired by Brookfield Office Properties in late 2013 and is expected to pay off prior to maturity through refinancing. Looking at the five largest loans maturing in April, the \$243.5 million 75 Broad Street note and the \$161.1 million Save Mart Portfolio are also on track to obtain refinancing, while the \$200 million Two Herald Square loan was transferred to special servicing for maturity default in March.

Though the \$113.4 million Osprey Pool is the largest delinquent loan set to mature in April, the \$92 million University Mall note has racked up the highest ARA among loans in that category. Backing the note is a class B,

6-Month Maturing CMBS Outlook: April-September 2017



Source: Trepp

Top 5 Loans Maturing in April

Property Name	Current Balance (\$)	Deal Name	Property Type	City/State	DQ Status	ARA
Wells Fargo Tower	550,000,000	GSMS 2007-GG10	OF	Los Angeles, CA	Current	N/A
75 Broad Street	243,500,000	CWCI 2007-C2	OF	New York, NY	Current	N/A
Two Herald Square	200,000,000	WBCMT 2007-C32	MU	New York, NY	Current	N/A
JP Morgan Portfolio	198,500,000	GECMC 2007-C1	MU	Various	Current	N/A
Save Mart Portfolio	161,083,001	JPMCC 2007-LD11	RT	Various, CA	Current	N/A

Source: Trepp

Top 5 Delinquent Loans Maturing in April

Property Name	Current Balance (\$)	Deal Name	Property Type	City/State	DQ Status	ARA
Osprey Pool	113,360,000	WBCMT 2007-C31	OF	Various	30 Days	N/A
University Mall	92,000,000	LBCMT 2007-C3	RT	South Burlington, VT	REO	53,078,669
Crossroads Marketplace	62,000,000	CGCMT 2007-C6	RT	Chino Hills, CA	Foreclosure	9,803,038
Colony V Portfolio (A + B + C Notes)	39,872,891	JPMCC 2007-LDPX	MU	Various	30 Days	5,046,223
Barrington Business Center	36,100,000	WBCMT 2007-C32	IN	Barrington, NJ	REO	12,648,479

Source: Trepp

609,492 square-foot regional mall situated in South Burlington, Vermont. 433,933 square feet of space serves as collateral for the loan. Built in 1978, the subject property ranks as the largest enclosed shopping mall in Vermont and is anchored by department store chains such as Sears, Kohl's, and JCPenney. The loan currently carries an ARA of \$53.1 million, which translates to roughly 56% of its remaining debt. Per servicer notes, the shopping mall was most recently appraised for \$46.3 million in August 2016 and became REO last October, but it has not been marketed for sale as of the most recent servicer commentary. University Mall represents 6.14% of LBCMT 2007-C3 as the largest delinquent loan in that deal.

Overview of Loans Maturing in the Next 6 Months

Prop. Type	WALTV	WADSCR	WADY	Avg. Occupancy	Total Balance
IN	68.32%	1.41	12.07%	96.58%	2,110,739,406
LO	71.02%	1.78	16.80%	72.19%	2,906,414,103
MF	72.79%	1.30	9.70%	94.40%	4,649,160,637
OF	76.00%	1.33	11.96%	91.77%	12,221,459,754
OT	72.59%	1.37	11.02%	91.11%	3,550,128,722
RT	76.59%	1.34	12.76%	94.76%	12,259,033,408

*Based on UW maturity date and most recently reported values for all current, fixed-rate securitized loans
Source: Trepp

Overview of Loans Maturing in April

Prop. Type	WALTV	WADSCR	WADY	Avg. Occupancy	Total Balance
IN	65.17%	1.89	12.76%	97.71%	259,463,984
LO	72.11%	1.86	17.38%	70.78%	296,461,787
MF	76.31%	1.34	9.54%	94.33%	526,075,872
OF	78.46%	1.17	6.49%	90.99%	2,273,018,988
OT	77.33%	0.96	6.60%	91.63%	745,397,140
RT	72.98%	1.27	10.07%	93.32%	1,344,458,241

Source: Trepp

Maturities by MSA

Many loans secured by properties in major metropolitan areas have been resolved in the past month or so, which has reduced the amount of outstanding CMBS debt slated to mature in the next six months. With loans that have fallen past maturity factored in, the Washington, D.C. MSA currently carries the largest percentage of seriously delinquent or specially serviced loans due to its large pipeline of distressed offices. In particular, noteworthy foreclosed or REO properties located in or

MSA	Maturing Balance (\$)	60+ Days DQ %	Special Servicing %
New York- Newark-Jersey City, NY-NJ-PA	8,047,740,721	19.88%	22.84%
Los Angeles-Long Beach-Anaheim, CA	4,165,463,780	7.98%	9.37%
Washington-Arlington-Alexandria, DC-VA	3,780,648,829	39.64%	46.68%
Chicago-Naperville-Elgin, IL-IN,WI	2,148,781,446	30.09%	40.70%
Dallas-Fort Worth-Arlington, TX	1,500,407,336	17.86%	20.44%
Phoenix-Mesa-Scottsdale, AZ	1,493,783,457	23.14%	22.85%
Orlando-Kissimmee-Sanford, FL	1,445,919,646	5.55%	5.55%
Boston-Cambridge-Newton, MA-NH	1,354,544,061	26.59%	40.62%
Atlanta-Sandy Springs-Roswell, GA	1,346,064,277	25.23%	30.65%
Houston-The Woodlands-Sugar Land, TX	1,156,868,793	7.61%	8.35%

Source: Trepp

around the Nation's Capital to watch are the \$203.3 million Lafayette Property Trust, the \$155 million Portals I, and the \$259 million of combined debt behind the Fair Lakes Office Portfolio.

For inquiries about the data analysis conducted in this research, contact info@trepp.com or call 212-754-1010.

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